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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

MOTORS LIQUIDATION COMPANY, et
al., f/k/a General Motors Corp., et al.

Chapter 11

Case No. 09-50026 (REG)

(Jointly Administered)

Debtors.

**DECLARATION OF DAVID F. MERRION IN SUPPORT OF MOTION OF
DETROIT DIESEL CORPORATION FOR ORDER EXTENDING AND
ENFORCING THE STAY IMPOSED UNDER 11 U.S.C. § 362(a) TO COVER
CERTAIN LITIGATION RELATING TO DETROIT DIESEL
CORPORATION, OR ALTERNATIVELY, ENJOINING SUCH
LITIGATION PURSUANT TO 11 U.S.C. § 105**

I, DAVID F. MERRION, hereby declare pursuant to section 1746 of title 28 of the

United States Code:

1. I am above the age of 21. I am not a party to this action, and I am competent to give sworn testimony and have personal knowledge of the facts stated herein, which are true and correct. I am sufficiently familiar with the facts set forth herein to testify competently if required.

2. I was an employee of General Motors Corporation (“General Motors” or “GM”) from 1954 through 1987. I worked in the Product Engineering and Sales areas of the Detroit Diesel Engine Division of General Motors.

3. I was employed by Detroit Diesel Corporation from 1988 through 1999. From 1988 to 1998, I was the Senior Vice President of Engineering. In 1998 I became the Executive Vice President of Engineering. I retired in 1999.

4. I have first hand familiarity with the history of the various iterations of the Detroit Diesel Engine Division of General Motors Corporation and Detroit Diesel Corporation.

5. In 1938 General Motors created the Detroit Diesel Engine Division.

6. In 1970, the Detroit Diesel Engine Division and the Allison Division of General Motors were joined together to form the Detroit Diesel Allison Division of General Motors.

7. On January 1, 1988, General Motors sold various assets of its Detroit Diesel Allison Division to the Penske Corporation. The assets sold by General Motors to the Penske Corporation did **not** include the Allison transmissions and the 6.2 liter and 8.2 liter engines used in General Motors' truck products. At that time, the former diesel products division of General Motors became a new corporation named Detroit Diesel Corporation. Penske Corporation owned 60% of the new Detroit Diesel Corporation and General Motors owned 40%. At no time prior to 1988 was Detroit Diesel a separate entity from General Motors.

8. When Detroit Diesel Corporation became a legal entity in 1988 Detroit Diesel Corporation only purchased the assets of Detroit Diesel Allison Division of General Motors and did not assume any responsibility for General Motors Marine Products manufactured prior to 1988. Detroit Diesel Corporation specifically did not assume liabilities for claims relating to any General Motors products. In fact, General Motors agreed to indemnify Detroit Diesel Corporation against all claims arising out of circumstances existing prior to the closing of the sale.

9. True and correct copies of the sales agreement and the agreements whereby General Motors agreed to defend and indemnify Detroit Diesel Corporation are annexed to the accompanying August 24, 2009 Declaration of Shawn Jacque as Exhibits "A," "B" and "C."

10. In 1989, Penske acquired another 20% of Detroit Diesel Corporation from General Motors making Penske an 80% owner of Detroit Diesel Corporation.

11. In 1993, Detroit Diesel Corporation became a publicly held company and Daimler-Benz acquired General Motors' 20% interest in Detroit Diesel Corporation.

12. In 1998, Daimler-Benz became known as DaimlerChrysler. In 2000 DaimlerChrysler acquired 100% of the stock of Detroit Diesel Corporation.

13. In 2007 Daimler and Chrysler separated and Daimler became known as Daimler North America Corporation ("Daimler NA"). Daimler NA kept the shares of Detroit Diesel Corporation. Detroit Diesel Corporation is currently a wholly owned subsidiary of Daimler NA and has no legal relationship to General Motors.

14. Prior to 1988 the predecessor division of General Motors which was sold to Detroit Diesel Corporation manufactured, sold and/or distributed products with asbestos containing components.

15. I am informed and believe that starting in the early 1980's General Motors began phasing out asbestos containing components in those products manufactured, sold and/or distributed by the predecessor division of Detroit Diesel Corporation.

16. I am informed and believe that products manufactured, sold and/or distributed by Detroit Diesel Corporation, after the aforementioned sale of General Motors assets to the Detroit Diesel Corporation, included no asbestos containing components.

17. I am informed and believe that Detroit Diesel Corporation has never manufactured asbestos containing products.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of August, 2009.

/s/ David F. Merrion
David F. Merrion